

May 16, 2011

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 increase in its schedules of rates for electricity sold in the amount of .000497 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 July 2011 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.

My Commission Expires:  
July 25, 2015



Ann Skipe  
NOTARY PUBLIC

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:

\$0.000137 per KWH per month (Positive Factor)

May 16, 2011

July, August and September 2011

AUBURN MUNICIPAL ELECTRIC UTILITY  
Auburn, Indiana

Appendix A

Rate Adjustments

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May 16, 2011

July, August and September 2011

DATE RECEIVED: MAY 23, 2011  
IURC 30-DAY FILING NO: 2863  
Indiana Utility Regulatory Commission

**AUBURN MUNICIPAL  
ELECTRIC UTILITY**  
Auburn, Indiana

**2011  
3<sup>rd</sup> Qtr. FAC Tracker**

May 16, 2011

A stylized, handwritten signature in black ink that reads "FSG". The letters are bold and slightly slanted, with a soft shadow effect behind them.

**Financial  
Solutions  
Group,  
Inc.**

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JULY, AUGUST AND SEPTEMBER 2011

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>1,941</u>	<u>37,303,272</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 no longer passed on through the FAC Tracker.

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JULY, AUGUST AND SEPTEMBER 2011

LINE NO.	ESTIMATED KW PURCHASED	ESTIMATED KWH PURCHASED	INCREMENTAL CHANGE IN PURCHASED POWER COST ADJUSTED FOR LINE LOSS & UTILITY RECEIPTS		
			DEMAND	ENERGY	TOTAL
1	1,941.00 (a)	37,303,272 (b)	- (c)	- (d)	- (e)

DATE RECEIVED: MAY 23, 2011  
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**AUBURN MUNICIPAL ELECTRIC UTILITY**

**DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JULY, AUGUST AND SEPTEMBER 2011**

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	DEMAND	ENERGY	TOTAL
1	-	5,123.65 (b)	-	5,123.65 (d)	-	0.000137 (g)	0.000137 (h)

AUBURN MUNICIPAL ELECTRIC UTILITY

DETERMINATION OF RATE ADJUSTMENT FOR THE  
THREE MONTHS OF  
JULY, AUGUST AND SEPTEMBER 2011

<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>	<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  
 JULY, AUGUST AND SEPTEMBER 2011

**ESTIMATED POWER PURCHASES AND COSTS FROM AEP**

<u>LINE NO.</u>		<u>July 2011</u>	<u>August 2011</u>	<u>September 2011</u>	<u>TOTAL</u>	<u>ESTIMATED 3-MONTH AVERAGE</u>
	<b><u>PURCHASE</u></b>					
1	DEMAND (KW) (a)	1,941	1,941	1,941	5,823	1,941
2	ENERGY (KWH) (b)	<u>36,800,355</u>	<u>40,002,368</u>	<u>35,107,092</u>	<u>111,909,815</u>	<u>37,303,272</u>
3	LINE LOSS (c)	<u>2.22%</u>	<u>2.22%</u>	<u>2.22%</u>		
4	UNITS SOLD (d)	<u>35,983,387</u>	<u>39,114,315</u>	<u>34,327,715</u>	<u>109,425,417</u>	<u>36,475,139</u>
	<b><u>COST</u></b>					
5	FACTOR PER KWH (e)	0.000000	0.000000	0.000000		
6	CHARGE (f)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE: NO FUEL COST IS EXPECTED IN 2011.**

AUBURN MUNICIPAL ELECTRIC UTILITY  
 RECONCILIATION OF VARIANCES FOR THE  
 THREE MONTHS OF  
 JANUARY, FEBRUARY AND MARCH 2011

LINE NO.		<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>2,003</u>	<u>34,360,500</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  
 JANUARY, FEBRUARY AND MARCH 2011

LINE NO.	ACTUAL KW PURCHASED	ACTUAL KWH PURCHASED	INCREMENTAL CHANGE IN PURCHASED POWER COST	
			DEMAND	ENERGY
1	2,003 (a)	34,360,500 (b)	- (c)	- (d)
				TOTAL
				- (e)

**AUBURN MUNICIPAL ELECTRIC UTILITY**  
**RECONCILIATION OF VARIANCES FOR THE**  
**THREE MONTHS OF**  
**JANUARY, FEBRUARY AND MARCH 2011**

LINE NO.	ACTUAL AVERAGE KWH SALES	DEMAND ADJUSTMENT		ENERGY ADJUSTMENT		INCREMENTAL KW DEMAND		INCREMENTAL KWH ENERGY		LESS PREVIOUS VARIANCE	
		FACTOR PER KWH	FACTOR PER KWH	FACTOR PER KWH	BY UTILITY	COST BILLED	BY UTILITY	COST BILLED	BY UTILITY	DEMAND	ENERGY
1	34,202,387 (a)	-	(b)	(0.0023410) (1)	(d)	-	(d)	(78,947.05) (1)	(f)	-	(73,942.11) (g)
				(c)				(e)			

(1) See Attachment B for detail.

AUBURN MUNICIPAL ELECTRIC UTILITY  
 RECONCILIATION OF VARIANCES FOR THE  
 THREE MONTHS OF  
 JANUARY, FEBRUARY AND MARCH 2011

LINE NO.	NET INCREMENTAL COST BILLED BY UTILITY			VARIANCE		
	DEMAND	ENERGY	TOTAL	DEMAND	ENERGY	TOTAL
1	- (a)	(5,004.94) (b)	(5,004.94) (c)	- (d)	5,004.94 (e)	5,004.94 (f)

**AUBURN MUNICIPAL ELECTRIC UTILITY**

RECONCILIATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JANUARY, FEBRUARY AND MARCH 2011

**ACTUAL POWER PURCHASES AND COSTS FROM AEP**

LINE NO.			True Up Only January 2011	True Up Only February 2011	True Up Only March 2011	TOTAL	ESTIMATED 3-MONTH AVERAGE
	<b><u>PURCHASE</u></b>						
1	DEMAND (KW)	(a)	1,941.18	2,064.66	2,285.82	6,291.66	2,003.00
2	ENERGY (KWH)	(b)	35,133,000	33,588,000	35,943,000	104,664,000	34,360,500
	<b><u>COST</u></b>						
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  
JANUARY, FEBRUARY AND MARCH 2011  
ACTUAL AVERAGE KWH SALES

<u>LINE NO.</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>	<u>Average</u>
1	33,184,194 (a)	36,054,949 (b)	33,368,019 (c)	102,607,162 (d)	34,202,387 (e)

**AUBURN MUNICIPAL ELECTRIC UTILITY**

**DETERMINATION OF RATE ADJUSTMENT FOR THE  
THREE MONTHS OF  
JULY, AUGUST AND SEPTEMBER 2011**

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

	<u>July</u>	<u>August</u>	<u>September</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  
 JULY, AUGUST AND SEPTEMBER 2011

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

<u>MONTHS</u>	<u>KWH SALES</u>	<u>(a) FACTOR</u>	<u>(b)</u>	<u>DOLLAR AMOUNT</u>	<u>(c)</u>
2011					
January	33,184,194	(0.0023410)	(1)	\$	(77,684.00)
February	36,054,949	(0.0023410)			(84,405.00)
March	<u>33,368,019</u>	(0.0023410)			<u>(78,115.00)</u>
Total	<u>102,607,162</u>			\$	<u>(240,204.00)</u>
Average	<u>34,202,387</u>			\$	<u>(80,068.00)</u>
Utility Receipts Tax				\$	<u>0.986</u>
Monthly Amount without Utility Receipts				\$	<u><u>(78,947.05)</u></u>

**(1) Due to late approval, this factor was used for 4 months.**

**AUBURN MUNICIPAL ELECTRIC UTILITY**

DETERMINATION OF RATE ADJUSTMENT FOR THE  
 THREE MONTHS OF  
 JULY, AUGUST AND SEPTEMBER 2011

**Impact of Tracker**

	<u>Average Usage</u> (a)	<u>Current Tracker</u> (b)	<u>Proposed Tracker</u> (c)	<u>Difference</u> (d)
		(0.000360) (e)	0.000137 (f)	0.000497
Residential	2,000	\$ (0.72)	\$ 0.27	\$ 0.99
Commercial	8,500	(3.06)	1.16	4.22
Industrial (Small)	88,300	(31.79)	12.10	43.89
Industrial (Large)	15,025,000	(5,409.00)	2,058.43	7,467.43

**AUBURN MUNICIPAL ELECTRIC UTILITY**  
DETERMINATION OF RATE ADJUSTMENT FOR THE  
ACTUAL COST FOR JANUARY 2010 THROUGH MARCH 2011

(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%
July 2010	30,387,000	1,941.18	338,327.38	1,229,458.02	1,917,635.31	(1,423,443.37)	2,061,977.34	0.06786	5.57%
August 2010	32,896,000	1,941.18	338,327.38	1,330,972.16	1,932,739.28	(1,491,111.91)	2,110,926.91	0.06417	-5.43%
September 2010	34,077,000	1,878.56	327,413.60	1,378,755.42	1,189,476.65	(1,143,971.84)	1,751,673.83	0.05140	-19.89%
October 2010	33,405,000	1,941.18	338,327.38	1,351,566.30	1,154,528.10	(1,062,106.81)	1,782,314.97	0.05335	3.80%
November 2010	31,441,000	1,878.56	327,413.60	1,272,102.86	1,202,655.33	(1,069,907.71)	1,732,264.08	0.05510	3.26%
December 2010	31,280,000	1,941.18	338,327.38	1,265,588.80	1,636,490.12	(1,325,452.13)	1,914,954.17	0.06122	11.12%
January 2011	35,133,000	1,941.18	338,327.38	1,556,743.23	1,744,878.19	(1,475,029.16)	2,164,919.64	0.06162	0.65%
February 2011	33,588,000	2,064.61	377,522.95	1,488,284.28	1,415,584.00	(1,233,815.89)	2,047,575.34	0.06096	-1.07%
March 2011	35,943,000	2,285.82	417,961.46	1,592,634.33	1,537,955.66	(1,328,521.56)	2,220,029.89	0.06177	1.32%
<b>Total</b>	<b>484,817,000</b>	<b>31,656.50</b>	<b>\$ 4,723,446.14</b>	<b>\$ 20,010,605.02</b>	<b>\$ 21,938,261.76</b>	<b>\$ (18,722,954.45)</b>	<b>\$ 27,949,358.47</b>		<b>42.67%</b>

AUBURN MUNICIPAL ELECTRIC UTILITY  
Auburn, Indiana

PJM Cost (Estimated)  
THREE MONTHS OF  
JULY, AUGUST AND SEPTEMBER 2011

<u>LINE NO.</u>			
1	July 2011	\$	-
2	August 2011		-
3	September 2011		-
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	0.0019890
3rd Quarter 2005	0.0029530
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)
1st Quarter 2011	(0.002341)
2nd Quarter 2011	(0.000360)
3rd Quarter 2011	0.000137

Tin

DATE RECEIVED: MAY 23, 2011  
IURC 30-DAY FILING NO: 2863  
Indiana Utility Regulatory Commission

**From:** Legals <legals@kpcnews.net>  
**Sent:** Friday, May 20, 2011 10:27 AM  
**To:** Tina Shipe  
**Subject:** Re: Legal Ads

Tina,

I have two legals publishing as requested.

Thank You,

Kelly Wallen  
KPC Media Group INC

On May 20, 2011, at 8:56 AM, Tina Shipe wrote:

Please publish the two attached legal advertisements on May 27, 2011. Let me know if you have any questions. Thanks!

*Tina M. Shipe*

*Deputy Clerk-Treasurer*

*City of Auburn, Indiana*

*Phone 260.925.6450 ext 1102*

*Fax 260.920.3358*

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<Ad for 3rd Qtr 2011 FAC Tracker.doc><Ad for 3rd Qtr 2011 WPF Tracker.doc>

## 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 July 1 – September 30, 2011. 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 increase in its schedule of rates for the Rate Adjustment Factor for electricity sold in the amount of .000497 per kilowatt hours (KWH) for a new rate of .000137 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 July 1, 2011 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