



Received On: January 14, 2014  
IURC 30-DAY Filing No.: 3215  
Indiana Utility Regulatory Commission

TIPTON MUNICIPAL UTILITIES

P.O. Box 288  
Tipton, IN 46072-0288  
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January 14, 2014

Brenda A. Howe  
Secretary to the Commission  
Indiana Utility Regulatory Commission  
101 West Washington Street, Suite 1500 E  
Indianapolis, Indiana 46204

**RE: Tipton Municipal Electric Utility 30-Day Filing Pursuant to 170 IAC 1-6-1 *et seq.***

Dear Ms. Howe:

Pursuant to 170 IAC 1-6-5, please find enclosed the following 30-Day Filing by Tipton Municipal Electric Utility: Rate LIP – Large Industrial Power Service. The revised tariff is attached as Exhibit 1. The purpose of this filing is to implement a revision to the minimum threshold level of capacity for customers eligible to receive service under existing Rate LIP, in order to allow for service under that rate schedule to a new customer, Chrysler Group, LLC (“Chrysler”). The proposed revision to Rate LIP is needed because Chrysler is a large industrial customer otherwise eligible for service under Rate LIP, but the projected load of its new operation is below the 10,000 kilowatt threshold level currently specified in that rate schedule. The filing is allowable under 170 IAC 1-6-3 because Chrysler is a new customer to which Tipton Municipal Electric Utility will be providing new services, the applicable rates and charges under Rate LIP are not being altered, and the revision to the eligibility criterion will allow for the beneficial use of what is presently an unutilized rate schedule.

Rate LIP was established pursuant to the Commission’s final Order dated November 6, 2008 in Cause No. 43554. Prior to that time, Tipton Municipal Electric Utility did not have a rate schedule for large industrial power service. As addressed in Cause No. 43554, a new industrial operation was planned by Getrag Transmission Manufacturing, LLC (“Getrag”), but subsequent to the establishment of Rate LIP the Getrag facility did not go into operation as planned. As a result, Rate LIP has not been utilized to provide service to any customer.

Chrysler is currently in the process of developing a new operation at the same site as the previously planned Getrag facility for which Rate LIP was designed. The Chrysler operation has materially similar service characteristics for purposes of Rate LIP, with the exception that the initial projected capacity level falls below the 10,000 kilowatt threshold. The revision provided for in this 30-Day Filing, accordingly, will establish the availability of Rate LIP to provide

service to the new Chrysler operation. Chrysler would be the only customer receiving service under Rate LIP, although the terms of Rate LIP remain available for any potential future customers meeting the criteria. Absent the proposed revision, Rate LIP would continue to be an unutilized rate schedule.

The revision to the eligibility threshold is reflected in the change from 10,000 kilowatts to 4,000 kilowatts in two places in the tariff: under "Availability" on Page 1 of 4 and under "Billing Maximum Load" on Page 2 of 4. Two additional amendments to Rate LIP involve the addition of the words "if any" in conjunction with the reference to a "Facilities Charge" on Page 2 of 4 and the reference to an "Equipment Adjustment" on Page 3 of 4. The reason for those additional changes is that the arrangement with Getrag involved both a "Facilities Charge" and an "Equipment Adjustment" that were specified in an Agreement for Electric Power Service that was presented for approval in Cause No. 43554. The Chrysler operation, on the other hand, will not involve any "Facilities Charge" or "Equipment Adjustment," and consequently Rate LIP is appropriately amended to indicate that only "if any" such Charge or Adjustment is applicable will it be specified in an Agreement for Electric Power Service.

Rate LIP also includes, at Page 4 of 4, an Economic Incentive Adjustment that was contemplated for Getrag. Under the "Applicability" criteria for that Economic Incentive Adjustment, the availability expires on January 1, 2014 and new or additional load of 10,000 kW is required. No change is being proposed to those provisions in this 30-Day Filing. The Economic Incentive Adjustment, accordingly, will not be applicable to the new Chrysler operation.

Based on discussions with Chrysler and the Office of Utility Consumer Counselor, Tipton Municipal Electric Utility believes that the revisions to Rate LIP pursuant to this 30-Day Filing will be beneficial in allowing the new Chrysler operation to receive service under Rate LIP, will not adversely impact the services or rates and charges to any other customer, and will not raise any disputed or controversial issue on the part of any interested party. Effectuating this revision to Rate LIP through the 30-Day Filing process therefore will facilitate the provision of service to the new Chrysler operation in a reasonable and efficient manner.

The person at the Tipton Municipal Electric Utility to be contacted regarding this filing is:

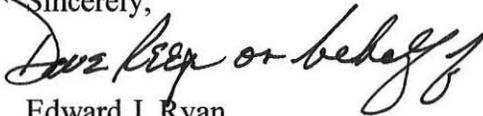
Ed Ryan  
765-675-7292  
P.O. Box 288  
Tipton, IN 46072  
[eryan@tusb.com](mailto:eryan@tusb.com)

Affected customers shall be notified as required under 170 IAC 1-6-6. Notice shall be published in the Tipton Tribune. The required Proof of Publication of Legal Notice will be forwarded as soon as it is available from the publisher. Notice has been posted in a public place in the Tipton Municipal Electric Utility customer service office. A copy of the notice is attached.

Brenda A. Howe  
January 14, 2014  
Page 3

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I verify that notice has been provided as stated in this letter and that this letter and the attached documents are true and accurate to the best of my knowledge, information and belief.

Sincerely,  
  
Edward J. Ryan  
Utility Manager

Enclosures

cc: Indiana Office of Utility Consumer Counselor

**TIPTON MUNICIPAL ELECTRIC UTILITY**  
**TIPTON, INDIANA**

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Rate LIP - Large Industrial Power Service

Availability

Rate LIP is available for any customer contracting with the Utility for a specified capacity of not less than 4,000 kilowatts for use at a single location. Applicant's facilities must be located adjacent to an electric transmission line with a nominal voltage of 69,000 volts from which the Utility can provide adequate and suitable service.

Character of Service

Three-phase alternating current having a frequency of sixty Hertz and a nominal voltage of 12,470 volts.

Rates and Charges

Maximum Load Charge (Monthly)

Each kW of Billing Maximum Load

Shall be billed at the same rates charged by the Utility's Wholesale Power Supplier, adjusted for a Gross Margin distribution adder of 13 %. Such rates include a Production Charge, a Transmission Charge, a Delivery Voltage Charge and an ECA Demand Charge.

Energy Charge (In addition to the Maximum Load Charge)

Each kWh of Energy

Shall be billed at the same rates charged by the Utility's Wholesale Power Supplier, adjusted for a Gross Margin distribution adder of 13%. Such rates include a Production Charge, a Transmission Charge, and an ECA Energy Charge.

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**TIPTON MUNICIPAL ELECTRIC UTILITY  
TIPTON, INDIANA**

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Rate LIP - Large Industrial Power Service

Reactive Demand Charge (in addition to Maximum Load Charge and Energy Charge)

<u>Each kvar of billing Reactive Demand</u>	Shall be billed at the same rates charged-by the Utility's Wholesale Power Supplier, adjusted for a Gross Margin distribution adder of 13%.
<u>Tipton Energy Cost Adjustment Tracker</u>	Does not apply
<u>Facilities Charge (if any)</u>	As specified in the Agreement for Electric Power Service

Measurement of Maximum Load (Demand), Energy, and Reactive Demand

Demand and Energy shall be measured by suitable instruments provided by the Utility. In any month, the Maximum Load expressed in kilowatts shall be the average number of kilowatts in the 60-minute interval in such month during which the energy metered is greater than in any other such 60-minute interval in such month. In any month the billing Reactive Demand shall be the amount of reactive demand in kilo-vars by which metered reactive demand exceeds the reactive demand at a minimum power factor as established from time to time by Utility's Wholesale Power Supplier. The minimum power factor is currently 97%.

Billing Maximum Load

The Billing Maximum Load for any month shall be the Maximum Load for the month, but in no month shall the Billing Maximum Load be less than 4,000 kilowatts.

Minimum Charge

The monthly minimum charge shall be the Maximum Load Charge plus the Facilities Charges.

**TIPTON MUNICIPAL ELECTRIC UTILITY**  
**TIPTON, INDIANA**

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Rate LIP - Large Industrial Power Service

Equipment Adjustment

When customer furnishes and maintains any equipment necessary for Utility to serve customer, the Agreement for Electric Power Service shall specify appropriate charges or credits, if any.

**TIPTON MUNICIPAL ELECTRIC UTILITY  
TIPTON, INDIANA**

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Rate LIP - Large Industrial Power Service

Economic Incentive Adjustment  
For  
Rate LIP - Large Industrial Power Service

Applicability

This Economic Incentive Adjustment is available to any qualifying Rate LIP customer for a 5-year term beginning January 1, 2009 and ending January 1, 2014, provided that it:

- Meets the criteria for, and receives service under, Rate LIP, and has entered into an acceptable Agreement for Electric Power Service with the Utility.
- Has a new or additional load of at least 10,000 kW above the initial base load each month the Economic Incentive Adjustment is applied. For any existing customer, the 10,000 kW would be in addition to the customer's current load.
- Enters into an agreement for economic development satisfactory to the City of Tipton or County of Tipton. The Economic Incentive Adjustment shall apply to the Maximum Load Charge, the Energy Charge and the Reactive Demand Charge under Rate LIP for a term not to exceed five (5) years, as defined in the Agreement for Electric Power Service.
- Is in compliance with the terms of the Agreement for Electric Power Service.

Calculation of the Adjustment

During the term of the Economic Incentive Adjustment, the 13% Gross Margin distribution adder in the LIP Rate applicable for determination of the Maximum Load Charge, the Energy Charge and the Reactive Demand Charge shall be reduced from 13% to 9%.

Terms and Conditions

The qualifying Rate LIP customer will receive the Economic Incentive Adjustment, as long as the customer meets all other requirements of Rate LIP and the Economic Incentive Adjustment. The Utility and the customer understand that Rate LIP and the terms of this Economic Incentive Adjustment are subject to the approval of the IURC and the Council. If during the term of the Economic Incentive Adjustment, Rate LIP is changed, the parties agree to negotiate the terms of a revised Economic Incentive Adjustment, which will apply for the remainder of the term, and to timely seek the necessary regulatory approvals for such revised Economic Incentive Adjustment.

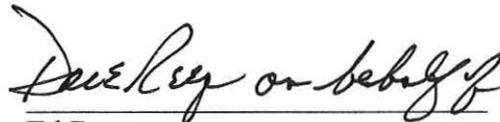
**Verified Statement of Tipton Municipal Utilities (TMU)  
Concerning Notification to Customers of TMU's  
Proposed Revisions to Rate LIP**

Tipton Municipal Utilities ("TMU") has notified affected customers under, and complied with the Notice Requirements of, 170 IAC §1-6-6 in the following manner:

- beginning on January 14, 2014 and continuing through the filing date, the attached notice was posted in TMU's offices located at 891 Berryman Pike, Tipton, Indiana;
- an initial legal notice is scheduled to be published in the Tipton Tribune newspaper on January 16, 2014 with a second legal notice published approximately one-week later, as evidenced by a Publisher's Affidavit, which will be late-filed; and

I affirm under the penalties for perjury that the foregoing representations are true to the best of my knowledge, information and belief.

Dated this 14<sup>th</sup> day of January 2014.



Ed Ryan  
General Manager  
Tipton Municipal Utilities

LEGAL NOTICE

Notice is hereby given that the municipal electric utility of the City of Tipton, Indiana has filed with the Indiana Utility Regulatory Commission for its approval the following incremental changes to Rate LIP – Large Industrial Power Service:

Under “Availability” on Page 1 of 4 and under “Billing Maximum Load” on Page 2 of 4, the eligibility threshold is changed from 10,000 kilowatts to 4,000 kilowatts.

The words “if any” are added to the reference to a “Facilities Charge” on Page 2 of 4 and the reference to an “Equipment Adjustment” on Page 3 of 4.

Objections to these changes can be made at either of the addresses below.

Indiana Utility Regulatory Commission  
101 W. Washington Street, Suite 1500 East  
Indianapolis, IN 46204-3407

Office of Utility Consumer Counselor  
115 W. Washington Street, Suite 1500 South  
Indianapolis, IN 46204-3407

Tipton Municipal Electric Utility