

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
CRAWFORDSVILLE ELECTRIC LIGHT &) CAUSE NO. 44684
POWER FOR APPROVAL OF A NEW)
SCHEDULE OF RATES AND CHARGES FOR) APPROVED: "APR 13 2016"
ELECTRIC SERVICE)



ORDER OF THE COMMISSION

Presiding Officers:

James F. Huston, Commissioner

Loraine L. Seyfried, Chief Administrative Law Judge

On September 25, 2015, the City of Crawfordsville, Indiana, by its municipal electric utility, Crawfordsville Electric Light & Power ("Petitioner" or "CEL&P"), filed a Verified Petition with the Indiana Utility Regulatory Commission ("Commission") in this matter seeking authority to increase its rates and charges for electric utility service and approval of a new schedule of rates and charges. CEL&P also filed its direct testimony and exhibits.

The OUCC filed its direct testimony and exhibits on January 15, 2016.

On February 5, 2016, CEL&P and the OUCC filed a Joint Stipulation and Agreement ("Settlement Agreement") resolving the issues raised in this Cause. On February 11, 2016, both CEL&P and the OUCC filed supplemental testimony and exhibits in support of the Settlement Agreement. On February 19, 2016, the Presiding Officers issued a Docket Entry to which CEL&P responded on the same day.

On February 23, 2016, the Commission held an evidentiary hearing on the Settlement Agreement in Hearing Room 222, 101 West Washington Street, Indianapolis Indiana. At the hearing, the parties offered their respective testimony and exhibits, which were admitted into the record. No member of the general public appeared.

Based upon the applicable law and the evidence presented, the Commission finds:

1. Notice and Jurisdiction. Proper notice of the hearing in this Cause was given and published by the Commission as required by law. CEL&P also published notice of the filing of its Verified Petition in this Cause and gave proper notice to its customers, which summarized the nature and extent of the proposed changes in CEL&P's rates and charges for electric service.

Petitioner is a "municipally owned utility" as defined in Ind. Code § 8-1-2-1(h). Petitioner's rates and charges for the provision of electric service are subject to the Commission's jurisdiction in accordance with Ind. Code § 8-1.5-3-8. Therefore, the Commission has jurisdiction over CEL&P and the subject matter of this Cause.

2. **Petitioner's Characteristics.** CEL&P furnishes electric service to residential, commercial, industrial, and other customers located within its assigned service area. Petitioner owns and operates electric transmission, distribution, and substation facilities, which are used and useful to provide electric service. The City of Crawfordsville, Indiana is a member of the Indiana Municipal Power Agency ("IMPA") and Petitioner purchases all of its power and energy requirements from IMPA pursuant to the terms of a Power Sales Contract.

3. **Test Year.** In accordance with the Commission's October 20, 2015 Docket Entry, the test year used to determine Petitioner's actual and pro forma operating revenues, expenses, and operating income under its present and proposed rates is the 12-month period ended December 31, 2014, adjusted for changes that are fixed, known, and measurable for ratemaking purposes and that occur within 12 months following the end of the test year. We find the December 31, 2014 test year, as adjusted, is sufficiently representative of Petitioner's normal utility operations to provide reliable data for ratemaking purposes.

4. **Background and Relief Requested.** Petitioner's existing rates and charges were placed into effect following the Commission's July 28, 2010 Order in Cause No. 43773. The Verified Petition filed in this Cause indicates that those rates and charges do not produce sufficient annual revenue to be reasonable and just. Accordingly, in its case-in-chief, Petitioner requested approval to increase its rates and charges to generate additional annual operating revenues of \$3,965,944, representing an 11.88% increase in its pro forma operating revenues. Petitioner also proposed that its requested increase in operating revenues be recovered from customer classes based upon the results of a cost-of-service study. In addition, Petitioner sought approval of an Economic Development Rider to stimulate local business growth.

5. **Summary of the Evidence.**

A. **Petitioner's Direct Evidence.** Mr. Phillip R. Goode, Petitioner's Manager, testified that CEL&P's last rate increase was over five years ago. He indicated that CEL&P has experienced net operating losses for the last three years and its annual operating revenues need to be increased to allow CEL&P to produce an income from its rates and charges for services sufficient to maintain its utility property in sound physical and financial condition. Further, he noted that CEL&P needs to make investments in extensions and replacements to its system.

Mr. Goode explained that CEL&P's most significant capital projects in its Capital Improvement Plan are: (i) the full deployment of an Advanced Metering Infrastructure ("AMI") system; (ii) completion of a new substation; and (iii) certain switchgear and breaker upgrades. He stated that following the successful deployment of a pilot AMI system in 2014, CEL&P intends to fully deploy AMI metering technology. The new AMI system is expected to improve outage detection and restoration as well as enhance CEL&P's ability to monitor customer voltages and power quality. Mr. Goode stated that the new substation will reduce CEL&P's exposure in the event of a failure of CEL&P's Kentucky Street Substation and will feed most of the new and existing load at the north and east ends of CEL&P's service territory. He stated that CEL&P's existing switchgears and breakers are old and in need of replacement to prevent failure. Mr. Goode testified that Petitioner proposed an increase in annual operating revenues of approximately \$3,965,944.

John R. Skomp, Partner with Crowe Horwath LLP, presented the revenue requirements of CEL&P, and sponsored the July 14, 2015 Rate and Financing Report (“Rate Report”). Mr. Skomp testified that the Rate Report demonstrates that, without the rate relief sought in this Cause, CEL&P would generate a net operating loss of over \$2.5 million in a pro forma twelve-month period. Exhibit E of the Rate Report indicates that CEL&P’s total pro forma revenue requirement is \$37,347,151. Mr. Skomp stated that after deducting the adjusted operating revenues, Petitioner has a revenue shortfall of \$3,910,421 before consideration of the Indiana Utility Receipts Tax. When the Indiana Utility Receipts Tax is considered, Mr. Skomp stated that the revenue shortfall is \$3,965,944. Accordingly, Mr. Skomp testified that the revenue requirement necessitates an 11.88% overall increase in operating revenues for CEL&P to fully fund its revenue requirements.

Scott D. Bowles, Principal and President of Spectrum Engineering Corporation, presented the results of the cost of service study filed in this proceeding by CEL&P and discussed the underlying methodology he used to conduct the cost of service study. Mr. Bowles also explained the design of CEL&P’s proposed rates and charges, including CEL&P’s proposed Economic Development Rider and certain changes to CEL&P’s non-recurring charges. Finally, Mr. Bowles addressed CEL&P’s capital improvement plan and extensions and replacements revenue requirement, which Mr. Skomp incorporated into his Rate Report.

B. OUCC’s Evidence. Crystal L. Thacker, Utility Analyst in the OUCC’s Electric Division, described the utility services provided by CEL&P and her analysis of Petitioner’s request for approval of a new schedule of rates and charges. Ms. Thacker recommended that Petitioner’s rates and charges be increased by \$3,430,562 (or 10.32%), which is \$535,382 less than the increase in operating revenues requested by CEL&P.

Ms. Thacker proposed reductions in Petitioner’s revenue requirement based upon her recommendations to: (1) remove power production expenses because they are non-recurring expenses; (2) disallow charitable contributions; (3) decrease operating expenses for the salaries and wages for eliminated employee positions; (4) remove employer-paid benefits for unfilled positions; and (5) remove the Federal Insurance Contributions Act (“FICA”) expense for unfilled positions. Ms. Thacker also testified that Petitioner’s expected annual operational savings of \$294,972 from the AMI project should be applied as an offset to Petitioner’s AMI project costs.

Anthony A. Alvarez, Utility Analyst in the OUCC’s Resource Planning and Communications Division, testified regarding Petitioner’s proposed AMI deployment. Mr. Alvarez recommended the Commission approve CEL&P’s proposed AMI deployment because it would lead to operational savings and benefits. Mr. Alvarez testified that the savings attributable to the AMI project is approximately \$1,474,861 over a five-year period. He also stated that the benefits of AMI weigh in favor of approval even though time of use rates will not be available to CEL&P customers.

Leon A. Golden, Utility Analyst in the OUCC’s Resource Planning and Communications Division, discussed his analysis of Petitioner’s capital improvement projects and cost estimate support. Mr. Golden concluded that the capital improvement projects proposed by CEL&P are reasonable and recommended that the Commission approve the projects.

Peter M. Boerger, Senior Utility Analyst in the OUCC’s Electric Division, addressed the proposed increases to CEL&P’s customer charges. Dr. Boerger recommended that the customer charges for each customer class be left at the current levels. Dr. Boerger argued that a customer

charge which covers all of a utility's costs other than generation is not justifiable. Dr. Boerger testified that his analysis calculated a customer charge of \$5.16 for CEL&P's customer classes. However, due to the principle of rate continuity, he recommended the Commission maintain CEL&P's current customer charges and over time consider changing customer charges to better reflect the directly attributable, marginal cost of serving individual customers.

6. Settlement Agreement. Subsequent to the filing of their cases-in-chief, the parties entered into a Settlement Agreement resolving the issues raised in this Cause. The following summarizes the terms of the Settlement Agreement:

A. Petitioner's Operating Revenues. The parties agreed CEL&P's total pro forma operating revenues are \$33,436,730. The parties further agreed that CEL&P's pro forma operating revenues from retail sales should be increased by \$3,580,142 in arriving at the pro forma total operating revenues at proposed rates of \$37,016,872, representing a 10.77% increase in rates and charges from sales to retail customers. The parties' agreement with respect to CEL&P's annual revenue requirement is summarized in the accounting schedule attached to the Settlement Agreement.

B. Petitioner's Annual Revenue Requirements. The parties agreed that Petitioner's annual revenue requirements are as follows: (i) \$29,005,044 for purchased power expenses; (ii) \$4,659,730 for other operations and maintenance expense; (iii) \$2,446,201 for extensions and replacements; and (iv) \$865,626 for taxes other than income taxes. The parties also agreed that Petitioner's total cash revenue requirement should be offset by the amount of Petitioner's pro forma interest income for the twelve months ended December 31, 2014, in the amount of \$9,851, and increased by \$50,122 to account for the increase in Petitioner's Indiana Utility Receipts Tax resulting from the proposed rate increase.

C. Allocation of Agreed Upon Increase in Operating Revenues. The parties agreed that the cost of service study prepared by Spectrum Engineering Corporation is reasonable and should be used by Petitioner to establish a new schedule of rates and charges implementing the authorized increase in operating revenues.

D. Customer Charges and Rate Schedules. The parties agreed that the monthly customer charges for the residential classes will remain at \$15.00. The monthly customer charges for all other customer classes will be revised to the amounts reflected in Petitioner's Attachments SDB-3 and SDB-4. Joint Settlement Exhibit 2 attached to Joint Exhibit 1 includes the agreed-upon rate schedules for each rate class.

E. Additional Terms.

i. Economic Development Rider. The parties agreed that the Commission should approve Petitioner's proposed Economic Development Rider as set forth in Attachment SDB-6.

ii. Time of Use Rates. The parties agreed that Petitioner will inform the Commission and the OUCC should IMPA offer time of use rates. In such notice, Petitioner will indicate whether CEL&P plans to offer time of use rates to its customers.

6. Evidence Supporting the Settlement Agreement.

A. Petitioner's Evidence in Support of Settlement Agreement. Mr. Skomp testified in support of the proposed revenue requirement set forth in the Settlement Agreement. He noted that CEL&P accepted all of the proposed adjustments to operations and maintenance expenses described by Ms. Thacker except for the OUCC's proposed adjustment to the revenue requirement for extensions and replacements. Specifically, the parties agreed to lower the amount of CEL&P's extensions and replacements revenue requirement by \$147,487 to reflect AMI system savings for the years of 2018 and 2019—after the AMI system is fully deployed. Thus, CEL&P's proposed capital expenditures for 2016 and 2017 were not offset as a result of the AMI system not being fully deployed during those years.

Mr. Skomp testified that the agreed-upon increase in CEL&P's operating revenues is the product of negotiations and is less than the increase supported by CEL&P's case-in-chief, but more than the increase supported by the OUCC's case-in-chief. He stated that the agreed-upon increases in operating revenues and rates and charges are reasonable and just and will produce income sufficient to maintain CEL&P's utility property in sound physical and financial condition so as to render adequate and efficient electric service as required by Ind. Code § 8-1.5-3-8.

Mr. Bowles sponsored CEL&P's revised schedule of rates and charges to recover the revenue requirement reflected in the Settlement Agreement. Mr. Bowles testified that the agreed-upon rates and charges are reasonable and just. Moreover, the proposed rates and charges more accurately reflect the cost of service by customer class and also recover the annual revenue requirement that the parties have agreed upon in settlement.

B. OUCC's Evidence in Support of Settlement Agreement. Ms. Thacker explained the OUCC's support for the Settlement Agreement. She indicated that after the parties filed their respective cases-in-chief, they engaged in good faith negotiations and agreed to new base rates designed to produce additional operating revenue of \$3,580,142, with the residential class' monthly charge remaining at \$15.00.

Ms. Thacker explained the basis for the agreement as to the amount of CEL&P's extensions and replacements. She stated that the parties agreed to include two years of savings, since CEL&P will not experience savings from AMI immediately. The agreed-upon total annual requirement for extensions and replacements is \$2,446,201. She noted that the parties essentially halved CEL&P's initial request, which strikes a balance between what is needed for CEL&P to make improvements and allowing the ratepayers to experience the benefit of the AMI improvements.

Ms. Thacker commented that, in the Settlement Agreement, CEL&P accepted the OUCC's additional expense adjustments concerning power production, charitable contributions, salaries, employer-paid benefits, and FICA taxes for a total annual revenue requirement for operation and maintenance expense of \$4,659,730. As a result, the amount of taxes other than income will be \$865,626 per the Settlement Agreement. CEL&P also accepted the OUCC's inclusion of \$9,851 interest income in the calculation of the annual revenue requirement.

Ms. Thacker also testified that the parties agreed to keep the monthly customer charges for the residential classes at \$15.00 per month. The parties also agreed to CEL&P's requested monthly customer charge increases for the remaining customer classes, which the OUCC believes is a fair

and reasonable outcome, as the proposed customer charge for the remaining classes is lower than the cost-based customer charge as calculated by CEL&P.

In conclusion, Ms. Thacker testified that the OUCC recommended approval of the Settlement Agreement as a reasonable compromise on all issues.

7. **Commission Discussion and Findings.** Settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement “loses its status as a strictly private contract and takes on a public interest gloss.” *Id.* (quoting *Citizens Action Coalition of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission “may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement.” *Citizens Action Coalition*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition of Ind., Inc. v. Public Service Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission’s own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1.5-3, and that such agreement serves the public interest.

In the Settlement Agreement, the parties agreed that CEL&P’s current rates and charges for retail electric service should be increased by \$3,580,142, so as to produce additional operating revenues of \$37,016,872, as detailed below:

Purchased Power Expenses	\$29,005,044
Other Operation and Maintenance Expense	\$ 4,659,730
Extensions and Replacements	\$ 2,446,201
Taxes Other than Income Tax	<u>\$ 865,626</u>
Total Revenue Requirement	\$36,976,601
Less: Interest Income	(9,851)
Plus: Utility Receipts Tax (1.4% of increase)	\$ 50,122
Annual Revenue Requirement	\$37,016,872

The parties further agreed that the revenue requirement should be allocated to CEL&P’s customer classes based upon its cost of service study as set forth in Joint Settlement Exhibit 2 attached to the Settlement Agreement.

Each of the parties submitted evidence regarding Petitioner’s proposed revenue requirement. The parties’ testimony supports each of the revenue requirement elements set forth in Ind. Code § 8-1.5-3-8. In the Settlement Agreement, the parties agreed to the revenue requirement proposed in

Petitioner's case-in-chief for CEL&P's purchased power expense as well as the adjustments proposed by the OUCC to other operations and maintenance expense and taxes other than income taxes.

The parties agreed to keep the monthly customer charge for the residential rate classes at \$15.00 per month while allowing the requested increases to the monthly customer charges on all other classes. The proposed customer charges for all customer classes remains lower than the cost-based customer charge as calculated by CEL&P.

The parties also agreed to a compromise with respect to the OUCC's proposed adjustment stemming from expected savings of the AMI project. In its case-in-chief, CEL&P requested \$2,593,688 per year for extensions and replacements to install AMI, which is expected to have a useful life of 15 years and to yield an aggregate savings of \$4,241,880 over the life of the infrastructure. While the OUCC, in its case-in-chief, recommended that the Commission approve CEL&P's proposed AMI deployment, OUCC witness Alvarez identified savings to CEL&P of approximately \$1,474,861 over a five-year period attributable to the AMI project. OUCC witness Thacker determined that these savings resulted in an annual savings amount of \$294,972, and sought to reduce CEL&P's annual extensions and replacements revenue requirement by such amount to \$2,298,715. The parties ultimately agreed that Petitioner's extensions and replacements revenue requirement should be \$2,446,201, which accounts for the fact that CEL&P will not experience savings from AMI until after it has been fully deployed.

Based on the evidence presented in this Cause, the Commission finds that the Settlement Agreement represents a comprehensive resolution of the issues presented in this matter, is in the public interest, and should be approved. The Settlement Agreement meets the requirements set forth in Ind. Code § 8-1.5-3-8 by providing for reasonable and just rates and charges for electric service. Accordingly, the Settlement Agreement is approved without modification. Petitioner is authorized to increase its current rates and charges for retail electric service by \$3,580,142, so as to produce additional operating revenues from rates and charges for service of \$37,016,872. This represents a 10.77% increase in rates and charges from sales to retail customers.

9. Effect of Settlement Agreement. The parties agree that the Settlement Agreement should not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, we find that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434, 1997 WL 34880849, at *7-8 (IURC March 19, 1997).

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Settlement Agreement, a copy of which is attached to and incorporated into this Order, is approved without modification.

2. CEL&P is authorized to increase its rates and charges for electric utility service so as to generate additional annual revenues of \$3,580,142 to arrive at total pro forma operating revenues of \$37,016,872, representing a 10.77% overall increase in its pro forma operating revenues.

3. The proposed changes to CEL&P's electric rates, which are reflected in the Joint Settlement Exhibit 2 attached to Joint Exhibit 1, are approved.

4. Prior to implementing the rates authorized in this Order, CEL&P shall file the applicable rate schedules under this Cause for approval by the Commission's Energy Division. Said rate schedules, when filed by CEL&P and approved, shall cancel all present and prior rates and charges.

5. In accordance with Ind. Code § 8-1-2-70, Petitioner shall pay within 20 days from the date of this Order, and prior to placing into effect the rates approved herein, the following itemized charges as well as any additional charges which were or may be incurred in connection with this Cause.

Commission Charges:	\$ 1,206.53
OUCG Charges:	\$ 15,105.83
Legal Advertising Charges:	\$ <u>235.31</u>
Total:	\$ 16,547.67

Petitioner shall pay all charges into the Commission public utility fund account described in Ind. Code § 8-1-6-2.

6. This Order shall be effective on and after the date of its approval.

STEPHAN, HUSTON, AND ZIEGNER CONCUR; WEBER NOT PARTICIPATING:

APPROVED: APR 13 2016

I hereby certify that the above is a true and correct copy of the Order as approved.



Shala M. Coe
Acting Secretary to the Commission

FILED
February 5, 2016
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
CRAWFORDSVILLE ELECTRIC LIGHT &)
POWER FOR APPROVAL OF A NEW SCHEDULE) CAUSE NO. 44684
OF RATES AND CHARGES FOR ELECTRIC)
SERVICE)

JOINT STIPULATION AND AGREEMENT BETWEEN
THE CITY OF CRAWFORDSVILLE AND
THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

On September 25, 2015, the City of Crawfordsville, Indiana, by its municipal electric utility, Crawfordsville Electric Light & Power (“Petitioner” or “CEL&P”), filed with the Indiana Utility Regulatory Commission (“Commission”) a Verified Petition for authority to increase its rates and charges for electric utility service, and for approval of a new schedule of rates and charges applicable thereto. Prior to the February 23, 2016 public evidentiary hearing in this Cause, Petitioner and the Indiana Office of Utility Consumer Counselor (“OUCC”) (collectively the “Parties”) communicated with each other regarding the possibility of settling this Cause and notified the Commission that they had reached an agreement with respect to all of the issues before the Commission, subject to preparation and execution of a written definitive agreement.

The Parties’ agreement is set forth in this Stipulation and Settlement Agreement (“Settlement Agreement”). The Parties solely for purposes of compromise and settlement and having been duly advised by their respective staff, experts and counsel, stipulate and agree that the terms and conditions set forth in this Settlement Agreement represent a fair, just and reasonable resolution of all matters raised in this proceeding, subject to their incorporation by the Commission into a final, non-appealable order without modification

or further condition that may be unacceptable to any Settling Party. If the Commission does not approve this Settlement Agreement, in its entirety without change, the entire Agreement shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Parties. The Parties agree to the following matters.

1. Petitioner's Operating Revenues. The Parties have reached an agreement concerning the amount of Petitioner's annual revenue requirements under Ind. Code § 8-1.5-3-8, which agreement is reflected in the Settlement Agreement and the accounting schedule attached as Joint Settlement Exhibit 1. The Parties agree that Petitioner's total pro form operating revenues are \$33,436,730. As shown on Joint Settlement Exhibit 1, the Parties agree that Petitioner's pro forma operating revenues from retail sales should be increased by \$3,580,142 in arriving at the pro forma total operating revenues at proposed rates of \$37,016,872, representing a 10.77% increase in rates and charges from sales to retail customers.

2. Petitioner's Annual Revenue Requirements. Petitioner's annual revenue requirements determined pursuant to I.C. § 8-1.5-3-8 on the evidence of record and agreed to by the Parties, are as follows:

a. Purchased Power Expenses. Petitioner's annual revenue requirement for purchased power expenses is \$29,005,044.

b. Other Operations and Maintenance Expense. Petitioner's annual revenue requirement for other Operations and Maintenance Expense is \$4,659,730.

c. Extensions and Replacements. Petitioner's annual revenue requirement for extensions and replacements is \$2,446,201.

d. Taxes Other Than Income Taxes. Petitioner's annual revenue requirement for taxes other than income taxes is \$865,626.

e. Interest Income. The Parties agree that Petitioner's total cash revenue requirement should be offset by the amount of Petitioner's pro forma interest income for the twelve months ended December 31, 2014 in the amount of \$9,851.

f. Utility Receipts Tax. The Parties agree that Petitioner's total cash revenue requirement should be increased by \$50,122 to account for the increase in Petitioner's Indiana Utility Receipts Tax resulting from the proposed rate increase.

3. Petitioner's Aggregate Annual Revenue Requirement. Petitioner's annual revenue requirement is \$37,016,872, as detailed below:

Purchased Power	\$29,005,044
Other Operations and Maintenance Expenses	\$4,659,730
Extensions and Replacements	\$2,446,201
Taxes Other Than Income Tax	<u>\$865,626</u>
Total Revenue Requirement	\$36,976,601
Less: Interest Income	(\$9,851)
Plus: Utility Receipts Tax (1.4% of increase)	\$50,122
Annual Revenue Requirement	\$37,016,872

4. Amount of Stipulated Rate Increase and Approval of Changes to Rate Schedules. The Parties agree that Petitioner's current rates and charges for electric service should be increased so as to produce additional operating revenues from retail sales of \$3,580,142 and total pro forma annual operating revenues of \$37,016,872, representing a 10.77% increase in rates and charges, as shown in Joint Settlement Exhibit 1.

5. Allocation of Agreed Upon Increase in Operating Revenues. The Parties agree that the cost-of-service study prepared by Spectrum Engineering Corporation (submitted as Petitioner's Attachments SDB-1 and SDB-2 and described in the direct testimony of Scott D. Bowles, P.E.) is reasonable and should be used by Petitioner to establish a new schedule of rates and charges implementing the authorized increase in operating revenues.

6. Customer Charges and Rate Schedules. The Settling Parties agree that the Monthly Customer Charges for the Residential Classes will remain at \$15.00. The Monthly Customer Charges for all other customer classes will be revised to the amounts reflected in Petitioner's Attachments SDB-3 and SDB-4. Joint Settlement Exhibit 2 includes the agreed-upon rate schedules for each rate class setting forth the Monthly Customer Charges, Demand Charges and Energy Charges for each customer class determined in the manner described above. The proposed changes to Appendix B (Non-Recurring Charges) have been agreed to between the Parties as reflected in Attachments SDB-3 and SDB-8.

7. Economic Development Rider. The Parties agree that the Commission should approve Petitioner's proposed Economic Development Rider as set forth in Attachment SDB-6.

8. Time of Use Rates. The Parties agree that Petitioner will inform the Commission and the OUCC should Petitioner's wholesale power supplier, the Indiana Municipal Power Agency, offer time of use ("TOU") rates. In such notice, Petitioner will indicate whether CEL&P plans to offer TOU rates to its customers.

9. Admission of Evidence. The Parties stipulate to the admission into evidence of their respective pre-filed testimony and exhibits, including CEL&P's direct, and supplemental testimony and exhibits, the OUCC's direct testimony and the Parties' testimony in support of the Settlement Agreement. The Parties further agree to waive cross-examination of the other Party's witnesses. The Parties will jointly sponsor this Settlement Agreement and Joint Settlement Exhibits 1 and 2 at the February 23, 2016 settlement hearing.

10. Mutual Conditions on Settlement Agreement. The Parties agree for purposes of establishing new rates and charges for Petitioner that the terms and conditions set forth in this Settlement Agreement are supported by the evidence and based on the Parties' independent review of the evidence, represent a fair, reasonable and just resolution of all the issues in this Cause, subject to their incorporation in a Final Order without modification or further condition, which may be unacceptable to either party. If the Commission does not approve this Settlement Agreement in its entirety and incorporate it into a Final Order as provided above, it shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Parties. Petitioner and the OUCC represent that there are no other agreements in existence between them relating to the matters covered by this Settlement Agreement.

11. Non-Precedential. As a condition precedent to the Settlement Agreement, the Parties condition their agreement on the Commission providing assurance in the Final Order issued herein that it is not the Commission's intent to allow this Settlement Agreement or the Order approving it to be used as an admission or as a precedent against the signatories hereto except to the extent necessary to enforce the terms of the

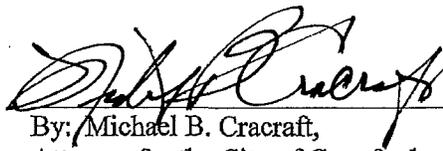
Settlement Agreement. The Parties agree that this Settlement Agreement shall not be construed nor be cited as precedent by any person or deemed an admission by any party in any other proceeding except as necessary to enforce its terms before the Commission, or before any court of competent jurisdiction on these particular issues. This Settlement Agreement is solely the result of compromise in the settlement process and except as provided herein is without prejudice to and shall not constitute a waiver of any position that either of the Parties may take with respect to any or all of the items resolved herein in any future regulatory or other proceedings and, failing approval by the Commission, shall not be admissible in any subsequent proceedings.

12. Authority to Stipulate. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients who will be bound thereby.

Respectfully submitted,

Dated: February 5, 2016

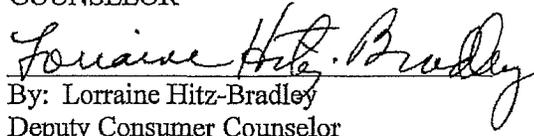
CITY OF CRAWFORDSVILLE, INDIANA



By: Michael B. Cracraft,
Attorney for the City of Crawfordsville

Dated: February 5, 2016

INDIANA OFFICE OF UTILITY CONSUMER
COUNSELOR



By: Lorraine Hitz-Bradley
Deputy Consumer Counselor

CRAWFORDSVILLE ELECTRIC LIGHT & POWER
Crawfordsville, Indiana

JOINT SETTLEMENT EXHIBIT 1

CAUSE NO. 44684
Settlement of Revenue Requirements

<u>Revenue Requirement</u>	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>Per Settlement</u>
Purchased power	\$ 29,005,044	\$ 29,005,044	\$ 29,005,044
Other operation & maintenance exp.	4,875,994	4,659,730	4,659,730
Extensions and Replacements	2,593,688	2,298,715	2,446,201
Taxes other than income	872,425	865,626	865,626
Interest income	<u> -</u>	<u> (9,851)</u>	<u> (9,851)</u>
Revenue requirement	\$ 37,347,151	\$ 36,819,264	\$ 36,966,750
Utility receipts tax (proposed increase)	55,523	48,028	50,122
Total revenue requirement	<u>37,402,674</u>	<u>36,867,292</u>	<u>37,016,872</u>
Pro forma present rate revenue	33,436,730	33,436,730	33,436,730
Recommended pro forma revenue increase	<u>\$ 3,965,944</u>	<u>\$ 3,430,562</u>	<u>\$ 3,580,142</u>
Recommended % Increase/(Decrease)	<u>11.93%</u>	<u>10.32%</u>	<u>10.77%</u>

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

IURC Cause No. 44684

JOINT SETTLEMENT EXHIBIT 2

This Exhibit will be filed with Petitioner's Supplemental Testimony in Support of the Settlement Agreement.

Attachment SDB-S2: Clean Version of Electric Rates
Petitioner's Exhibit 5
Crawfordsville Electric Light & Power
23 Pages including Cover

ATTACHMENT SDB-S2
CLEAN VERSION OF ELECTRIC RATES

On
Behalf of
Petitioner,
Crawfordsville Electric Light & Power

Petitioner's Exhibit 5

Residential Service

Rate Schedule RS

Availability

Available for residential electric service through one meter to individual residential customers in an individual residence or apartment and for single phase farm service when supplied through the farm residence meter.

Character of Service

Alternating current, sixty Hertz, single phase at a voltage of approximately 120 volts two-wire, 120/240 volts three-wire, or 120/208 volts three-wire as designated by the Utility.

Rate*

- Customer Charge -----\$15.00 per meter per month
- Energy Charge -----\$0.094880 per KWH for all KWH

Minimum Charge

The minimum monthly charge shall be the customer charge.

Special Terms and Conditions

This rate schedule is available for single phase service only. Where three-phase service is required and/or where such service will be used for commercial or industrial purposes the applicable rate schedules will apply to such service.

*Subject to the provisions of Appendix A and Appendix B.

ISSUED BY
PHILLIP GOODE
MANAGER

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
ON OR AFTER _____, 2016
ISSUED UNDER THE AUTHORITY OF THE
INDIANA UTILITY REGULATORY COMMISSION
DATED _____, 2016
IN CAUSE NO. 44684

General Power Service

Rate Schedule GP

Availability

Available through one meter to any customer for light and/or power purposes whose maximum load requirements do not exceed 50 Kilowatts and where the customer is located on the Utility's distribution lines suitable for supplying the service requested.

Character of Service

Alternating current, sixty Hertz, single phase at approximately 120 volts two-wire or 120/240 volts three-wire, or three-phase at approximately 240 volts, or 120/208 volts where available.

Rate*

Customer Charge

- Single Phase-----\$30.00 per meter per month
- Three Phase -----\$60.00 per meter per month
- Energy Charge -----\$0.094066 per KWH for all single phase KWH
- Energy Charge -----\$0.095738 per KWH for all three phase KWH

Minimum Charge

The minimum monthly charge shall be the customer charge.

*Subject to the provisions of Appendix A and Appendix B.

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PHILLIP GOODE
MANAGER

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
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IN CAUSE NO. 44684

Municipal General Power Service

Rate Schedule MGP

Availability

Available through one meter to any municipal customer for light and/or power purposes whose maximum load requirements do not exceed 50 Kilowatts and where the customer is located on the Utility's distribution lines suitable for supplying the service requested.

Character of Service

Alternating current, sixty Hertz, single phase at approximately 120 volts two-wire or 120/240 volts three-wire, or three-phase at approximately 240 volts, or 120/208 volts where available.

Rate*

Customer Charge

- Single Phase-----\$20.50 per meter per month
- Three Phase -----\$60.00 per meter per month
- Energy Charge -----\$0.102170 per KWH for all single phase KWH
- Energy Charge -----\$0.092191 per KWH for all three phase KWH

Minimum Charge

The minimum monthly charge shall be the customer charge.

*Subject to the provisions of Appendix A and Appendix B.

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Primary Power Service

Rate Schedule PP

Availability

Available through one meter to any customer having a maximum load requirement of 50 kilowatts or more. Applicant must be located adjacent to the Utility's transmission or distribution line that is adequate and suitable for supplying the service requested.

Character of Service

Alternating current having a frequency of sixty Hertz and furnished at a voltage which is standard with the Utility in the area served.

Rate*

- Customer Charge ----- \$300.00 per meter per month
- Demand Charge----- \$21.77 per KVA of billing demand
- Energy Charge----- \$0.035631 per KWH for all KWH

Minimum Charge

The minimum monthly charge shall be the demand charge.

Determination of Peak Demand and Measurement of Energy

Peak demand shall be measured by suitable recording instruments provided by Utility and shall be the average number of kilovolt-amperes in the fifteen minute period during which the kilovolt-ampere demand is greater than any other fifteen-minute interval in such month. For those customers who are not being metered by the use of a recording instrument, the peak demand, expressed in kilovolt-amperes, shall be the average number of kilowatts in the recorded fifteen-minute interval in such month during which the energy metered is greater than in any other such fifteen-minute interval in such month, divided by the lagging power factor (expressed as a decimal) calculated for the month. For billing purposes, the billing demand shall be the greater of the peak demand occurring during the month or fifty (50) KVA. Energy shall be measured by suitable integrating instruments.

*Subject to the provisions of Appendix A and Appendix B.

Metering Adjustment

If service is metered at a voltage of approximately 480 volts or lower, the peak demand and energy measurements shall be increased by two percent (2%) to convert such measurements to the equivalent of metering at the Utility's primary voltage.

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I.U.R.C. NO. ___
CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA

ORIGINAL SHEET NO. PP.2

(Continued from Sheet PP.1)

Equipment Adjustment

When customer furnishes and maintains the complete substation equipment, including any and all transformers, and/or switches and/or the equipment necessary to take his entire service at the primary voltage of the transmission of distribution line from which service is to be received, a credit of \$0.30 per KVA of billing demand will be applied to each month's net bill.

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Primary Power Off Peak Service

Rate Schedule PPOP

Availability

Available to any customer taking electric service under the provisions of Rate Schedule PP (Primary Power Service).

Rate

The rates and charges and all provisions included in the currently approved Rate Schedule PP shall apply except as provided for below.

Measurement of Peak Demand

Peak demand shall be measured by suitable recording instruments and, in any month, the peak demand for the on-peak hours shall be the highest fifteen-minute kilovolt-ampere demand measured during such on-peak hours and the peak demand for the off-peak hours shall be the highest fifteen-minute kilovolt-ampere demand measured during such off-peak hours. Such measured kilovolt-ampere demands shall be adjusted in accordance with the Metering Adjustment provision of Rate Schedule PP.

Monthly Billing Demand

The Monthly Billing Demand for any month shall be the greatest of (1) the peak demand established during the on-peak hours for the month or (2) fifty percent of the peak demand established during the off-peak hours for the month, but in any month such Monthly Billing Demand shall not be less than 100 kilovolt-amperes.

On-Peak/Off-Peak Periods

Utility shall consider the following as the on-peak and off-peak billing periods for each session. All hours shall be Eastern Standard Time.

On-Peak periods are defined as follows:

- *All Weekdays*
- *Summer Period: June through September; 9:00 a.m. to 10:00 p.m.*
- *Winter Period: December through March; 7:00 a.m. to 9:00 p.m.*
- *Spring/Fall: October, November, April, May; 7:00 a.m. to 9:00 p.m.*

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IN CAUSE NO. 44684

(Continued from Sheet PPOP.1)

Off-Peak periods are defined as weekends, all other hours not listed above, and the entire twenty-four (24) hours of the following National holidays:

- *New Year's Day*
- *Memorial Day*
- *Independence Day*
- *Labor Day*
- *Thanksgiving Day*
- *Christmas Day*

Whenever any of the above holidays occur on a Sunday and the following Monday is legally observed as a holiday, the entire twenty-four (24) hours of such Monday will be considered as off-peak hours.

Special Terms and Conditions

The availability of off-peak service shall be limited to an aggregate demand of not more than 30,000 kilowatts on a first come, first serve basis.

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Industrial Power Service

Rate Schedule IP

Availability

Available through one meter to any customer having a minimum load requirement of 10 megawatts or more and directly fed from the Utility's 138kV Transmission system. Applicant must be located adjacent to the Utility's transmission line that is adequate and suitable for supplying the service requested.

Character of Service

Alternating current having a frequency of sixty Hertz and furnished at a voltage which is standard with the Utility in the area served.

Rate*

- Customer Charge ----- \$600.00 per meter per month
- Demand Charge----- \$20.72 per KVA of billing demand
- Energy Charge----- \$0.033920 per KWH for all KWH

Minimum Charge

The minimum monthly charge shall be the demand charge.

Determination of Peak Demand and Measurement of Energy

Peak demand shall be measured by suitable recording instruments provided by Utility and shall be the average number of kilovolt-amperes in the fifteen minute period during which the kilovolt-ampere demand is greater than any other fifteen-minute interval in such month. For those customers who are not being metered by the use of a recording instrument, the peak demand, expressed in kilovolt-amperes, shall be the average number of kilowatts in the recorded fifteen-minute interval in such month during which the energy metered is greater than in any other such fifteen-minute interval in such month, divided by the lagging power factor (expressed as a decimal) calculated for the month. For billing purposes, the billing demand shall be the greater of the peak demand occurring during the month or ten (10) MVA. Energy shall be measured by suitable integrating instruments.

*Subject to the provisions of Appendix A and Appendix B.

Metering Adjustment

If service is metered at a voltage of approximately 13,800 volts or lower, the peak demand and energy measurements shall be increased by two percent (2%) to convert such measurements to the equivalent of metering at the Utility's primary voltage.

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I.U.R.C. NO. ____
CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA

ORIGINAL SHEET NO. IP.2

(Continued from Sheet IP.1)

Equipment Ownership

Customer must own all equipment necessary to transform the power from 138kV to its suitable working voltage. This equipment must include but is not limited to structures, foundations, large power transformer, switches, breakers, station batteries, relay protection and control, CT's, PT's, security, etc..

Customer is responsible for proper routine maintenance on its customer owned equipment in accordance with industry best practices.

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I.U.R.C. NO. _____
CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA

ORIGINAL SHEET NO. SL.1

Municipal Street Lighting Service

Rate Schedule SL

Availability

Available for street lighting within the corporate limits of the City of Crawfordsville, Indiana.

Character of Service

Municipal Street Lighting Service using lamps available under this schedule.

Rate*

Type of Lamp	Rate per Lamp per Month
100 watt sodium vapor	\$ 5.26
150 watt sodium vapor	\$ 8.04
250 watt sodium vapor	\$ 21.32
400 watt sodium vapor	\$ 34.85
175 watt mercury vapor	\$ 8.95
400 watt mercury vapor	\$ 34.85

Facilities

All facilities necessary for the service hereunder, including all poles, fixtures, street lighting circuits, transformers, lamps and other necessary facilities will be furnished and maintained by the Utility.

Hours of Lighting

All lamps shall burn approximately one-half hour after sunset until approximately one-half hour before sunrise each day in the year, approximately 4,000 hours per annum.

*Subject to the provisions of Appendix A and Appendix B.

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Outdoor Lighting Service

Rate Schedule OL

Availability

Available only for continuous year-round service for outdoor lighting to any customer located adjacent to an electric distribution line of Utility that is adequate and suitable for supplying the service requested.

Character of Service

Outdoor Lighting Service using lamps available under this rate schedule.

Rate*

Type of Lamp	Rate per Lamp per Month
100 watt sodium vapor	\$ 4.97
175 watt sodium vapor	\$ 8.95
250 watt sodium vapor	\$ 12.81
400 watt sodium vapor	\$ 20.40

Hours of lighting

All lamps shall burn approximately one-half hour after sunset until approximately one-half hour before sunrise each day in the year, approximately 4,000 hours per annum.

Ownership of System

All facilities installed by the Utility for the service hereunder including fixtures, controls, poles, transformers, secondary lines, lamps and other equipment shall be owned and maintained by the Utility. All service and necessary maintenance will be performed only during regularly scheduled working hours of the Utility. Non-operative lamps will normally be restored to service within two working days after notification by customer.

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I.U.R.C. NO. ____

ORIGINAL SHEET NO. OL.2

CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA

When customer requests that a lamp be mounted on customer's building or pole, customer shall waive any claim for damages caused by such installation and/or removal of secondary and lamp support.

*Subject to the provisions of Appendix A and Appendix B.

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(Continued from Sheet OL.1)

Terms of Service

Any customer requesting service under this rate schedule shall make written application for such service for an initial period of one year, and such service shall continue from year to year thereafter unless cancelled by either party. The facilities installed by the Utility shall remain the property of the Utility and may be removed by the Utility if service is discontinued.

Additional Facilities

This rate schedule is based in lighting fixtures which can be installed on an existing distribution type wood or other supporting device and served from existing secondary facilities, with not more than one span of secondary. If additional facilities are required to furnish service, the Utility will install, operate, and maintain such facilities. The labor, materials and overhead cost of installation of such additional facilities and maintenance expense thereof shall be the customer's expense.

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**CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA**

Traffic Signal Service

Rate Schedule TS

Availability

For service to the traffic signal system belonging to the City of Crawfordsville, the State of Indiana, or any other agency legally authorized to own, operate, and maintain a traffic signal system in conjunction with the regulation of traffic at "controlled intersections" of public streets or highways.

Character of Service

Alternating current, sixty Hertz, single phase, at approximately 120 volts or 120/240 volts.

Rate*

- Traffic Signal-----\$ 57.28 per month per signal
- Flasher Light-----\$ 8.61 per month per signal

**Subject to the provisions of Appendix A and Appendix B.*

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MANAGER**

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I.U.R.C. NO. ____
CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA

ORIGINAL SHEET NO. A.1

Appendix A

Rate Adjustment Appendix A

*Appendix A (Tracker) The Rate Adjustment shall be on the basis of a Purchase Power Cost Adjustment Tracking Factor occasioned solely by changes in the cost of purchased power and energy, in accordance with the Order of the Indiana Utility Regulatory Commission, approved December 13, 1989 in Cause No. 36835-S3 as follow:

(The proposed rates zero out the tracking factor as of December 31, 2015)

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CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA

Appendix B

Description of Charges

Reconnect/Disconnect Fee: \$40.00 for service reconnection work performed during the Utility's normal published business hours.

After Hours Reconnect/Disconnect Fee: \$100.00 for service connection/reconnection work performed outside of the Utility's normal published business hours.

Return Check Fee: The greater of \$25.00 or 5% of the amount of the check.

Meter Test Fee: \$40.00

Residential Security Deposit: Minimum of \$50.00 to a maximum of 2 months anticipated usage. The actual amount shall be based on the results of the credit check.

Business Security Deposit: Minimum of \$100.00 to a maximum of 2 months anticipated usage for General power, Primary Power and Industrial Power service. The actual amount shall be based on the results of the credit check.

Service Call: \$200.00

Temporary Service Charge: \$100.00

Late Payment: 4% of the total current unpaid balance.

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ECONOMIC DEVELOPMENT RIDER

Availability of Service

In order to encourage economic development in the Utility's service area, limited-term reductions in billing demands described herein are offered to qualifying new and existing customers who make application for service under this Rider prior to January 1, 2025.

Service under this Rider is intended for specific types of commercial and industrial customers whose operations, by their nature, will promote sustained economic development based on plant and facilities investment and job creation. This Rider is available to commercial and industrial customers served under Tariff PP or Tariff IP who meet the following requirements:

- (1) **Size:** A new customer must have a billing demand of 1,000 kW or more. An existing customer must increase billing demand by 1,000 kW or more over the maximum billing demand during the 12 months prior to the date of the application by the customer for service under this Rider (Base Maximum Billing Demand).
- (2) **THD:** Total Harmonic Distortion. Both new and existing customers must comply with Standard IEEE 519-2014 or its most contemporary version, should the standard be revised.
- (3) **Load Factor:** Both new and existing customers must maintain a monthly load factor of at least 70%. Load factor shall be calculated as follows: "Total monthly kWh"/["peak kW" x "Days in Billing Period" x "24 hours"].
- (4) **Power Factor:** Both new and existing customers must maintain a monthly power factor of at least 98%.
- (5) **Applicable Standards:** Both new and existing customers shall comply with the most contemporary versions of National Electric Code, National Fire Protection Association Code, and relevant IEEE standards.
- (6) **Business Type:** In no event shall service under this Rider be available to a customer whose principal business at the service location is classified in one of the following SIC Major Groups:

Standard Industrial Classification (SIC per US Dept. of Labor)

- A: Agriculture, Forestry, and Fishing
- 01: Agricultural Production Crops
 - 02: Agriculture production livestock and animal specialties
 - 07: Agricultural Services
 - 08: Forestry
 - 09: Fishing, hunting, and trapping

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**CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA**

- C: Construction
 - 15: Building Construction General Contractors and Operative Builders
 - 16: Heavy Construction Other Than Building Construction Contractors
 - 17: Construction Special Trade Contractors

- F: Wholesale Trade
 - 50: Wholesale Trade-durable Goods
 - 51: Wholesale Trade-non-durable Goods

- G: Retail Trade
 - 52: Building Materials, Hardware, Garden Supply, and Mobile Home Dealers
 - 53: General Merchandise Stores
 - 54: Food Stores
 - 55: Automotive Dealers and Gasoline Service Stations
 - 56: Apparel and Accessory Stores
 - 57: Home Furniture, Furnishings, and Equipment Stores
 - 58: Eating and Drinking Places
 - 59: Miscellaneous Retail

- H: Finance, Insurance, and Real Estate
 - 64: Insurance Agents, Brokers, and Service
 - 65: Real Estate
 - 67: Holding and Other Investment Offices

- I: Services
 - 70: Hotels, Rooming Houses, Camps, and Other Lodging Places
 - 78: Motion Pictures
 - 79: Amusement and Recreation Services

North American Industry Classification System (NAICS per OMB post 1997)

- 11: Agriculture, Forestry, Fishing and Hunting
- 22: Utilities
- 23: Construction
- 42: Wholesale Trade
- 44: Retail Trade
- 45: Retail Stores
- 48: Transportation
- 53: Real Estate Rental and Leasing
- 71: Arts, Entertainment, and Recreation
- 72: Accommodation and Food Services
- 81: Other Services (except Public Administration)

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(3) A new customer, or the expansion by an existing customer, must result in the creation of at least 10 full-time equivalent jobs (FTE) maintained over the contract term at the service location. Utility reserves the right to verify FTE job counts. Failure to maintain the minimum required FTE jobs will result in the termination of this Rider.

(4) The customer must demonstrate through form SB-1, to the Utility's satisfaction that, absent the availability of this Rider, the qualifying new or increased demand would be located outside of the Utility's service territory or would not be placed in service due to poor operating economics.

Availability is limited to customers on a first-come, first-served basis for loads aggregating to 25 MVA.

Terms and Conditions

(1) To receive service under this Rider, the customer shall make written application to the Utility, using form SB-1, with sufficient information contained therein to determine the customer's eligibility for service.

(2) For new customers, billing demands for which deductions will be applicable under this Rider shall be for service at a new service location and not merely the result of a change of ownership. Relocation of the delivery point of the Utility's service does not qualify as a new service location.

(3) For existing customers, billing demands for which deductions will be applicable under this Rider shall be the result of an increase in business activity and not merely the result of resumption of normal operations following a force majeure, strike, equipment failure, renovation or refurbishment, or other such abnormal operating condition. In the event that such an occurrence has taken place during the 12-month period prior to the date of the application by the customer for service under this Rider, the monthly billing demands during the 12-month period shall be adjusted as appropriate to eliminate the effects of such occurrence.

(4) All demand adjustments offered under this Rider shall terminate no later than December 31, 2020.

(5) The existing local facilities of the Utility must be deemed adequate, in the judgment of the Utility, to supply the new or expanded electrical capacity requirements of the customer. If construction of new or expanded local facilities by the Utility is required, the customer may be required to make a contribution-in-aid of construction for the installed cost of such facilities pursuant to the provisions of the Utility's Terms and Conditions of Service.

Determination of Monthly Adjusted Billing Demand.

The qualifying incremental billing demand shall be determined as the amount by which the billing demand, as determined according to Tariff PP or IP for the current billing period without this Rider, exceeds the Base Maximum Billing Demand. Such incremental billing demand shall be considered to be zero, however, unless it is at least 1,000 kW for new customers or existing customers.

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The monthly adjusted billing demand under this Rider shall be the billing demand as determined according to Tariff PP or IP for the current billing period without this Rider less the product of the qualifying incremental billing demand and the applicable Adjustment Factor. No Adjustment Factors shall be applied to any portion of minimum billing demands as calculated under Tariff PP or IP.

Determination of Adjustment Factor

Standard New Development Customers – customers meeting all availability and terms and conditions above shall contract for service for a period of five (5) years with a scheduled Adjustment Factor as follows:

- Year 1 15%
- Year 2 10%
- Year 3 10%
- Year 4 10%
- Year 5 05%

Urban Redevelopment Customers – customers meeting all availability and terms and conditions above, and that (1) are locating a new business in an existing building that has been unoccupied and/or has remained dormant for at least one or more years and has no current or prior relationship with the previous occupant, as determined by the Utility, and (2) taking delivery at one point that does not require significant distribution or transmission system investment, other than the connection of service, shall qualify the same as a Standard New Development Customer.

The appropriate adjustment factor shall be applicable over a period of 60 consecutive billing months beginning with the first such month following the end of the start-up period. The start-up period shall commence with the effective date of the contract addendum for service under this Rider and shall terminate by mutual agreement between the Utility and the customer. In no event shall the start-up period exceed 12 months.

Written Annual Statement of Substantial Compliance

Customers must apply for the Economic Development Rider using Form SB-1 “Statement of Benefits” which can be found as Attachment A.

Subsequent to qualifying for the Economic Development Rider, the Customer MUST file an updated SB-1 at least 30 days prior to the anniversary of the start date identified in the Utility’s confirmation that Customer is eligible for the Economic Development Rider. Failure to comply with the reporting requirements will result in termination of eligibility for the Economic Development Rider.

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I.U.R.C. NO. ____
CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA

ORIGINAL SHEET NO. EDR.1.5

Terms of Contract

A contract or agreement addendum for service under this Rider, in addition to service under Tariff PP or IP, shall be executed by the customer and the Utility for the time period which includes the start-up period and the five-year period immediately following the end of the start-up period. The contract addendum shall specify the Base Maximum Billing Demand, the anticipated total demand, the Adjustment Factor and related provisions to be applicable under this Rider, and the effective date for the contract addendum.

The customer may discontinue service under this Rider before the end of the contract or agreement addendum only by reimbursing the Utility for any demand adjustments received under this Rider billed at the applicable rate.

Special Terms and Conditions

Except as otherwise provided in this Rider, written agreements shall remain subject to all of the provisions of Tariff PP or IP. This Rider is subject to the Utility's Terms and Conditions of Service.

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IN CAUSE NO. 44684

**STATEMENT OF BENEFITS
ECONOMIC DEVELOPMENT RIDER**
Crawfordsville Electric Light & Power

DATE _____

FORM SB-1 / EDR

This statement is being completed for a customer that qualifies for an "Economic Development Rider."

INSTRUCTIONS:

1. This statement must be submitted to Crawfordsville Electric Light & Power at the time application is made for the Economic Development Rider. Please carefully fill out all fields.
2. In order to remain eligible for the Economic Development Rider, this statement must be submitted annually, at least 30 days in advance of each anniversary of the Project Start Date. Failure to submit the updated SB-1 will result in termination of the Economic development Rider.

SECTION 1 CUSTOMER INFORMATION					
Name of Customer					
Address of Customer (number and street, city, state, and ZIP code)					
Name of Contact Person			Telephone number ()	E-mail address	
SECTION 2 LOCATION AND DESCRIPTION OF INCREASED LOAD					
Location of Property			Estimated Start Date (month, day, year)	Est. Date Placed-in-Use (mo, day, year)	
Description of Increased load. Please describe specific economic reasons why this EDR is required for the new load. Please also include Milestones, Timeline, and Expected Outcome. (You may attach additional pages as necessary.)					
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS A RESULT OF PROPOSED PROJECT					
Current Number FTE		Number Retained FTE		Number Additional FTE	
SECTION 4 ESTIMATE OF ADDITIONAL ELECTRIC LOAD					
Current Peak Demand	Current Energy	New Energy	Increase in Peak Demand	New Peak Demand	New Load Factor
SECTION 5 STATEMENT OF COMPLIANCE					
Total Harmonic Distortion, (<V%, <I%):	THD V% shall be less than % at Utility demark		THD I% shall be less than % at Utility demark		
Load Factor (LF > 70%):	Load Factor shall be greater than %				
Power Factor (PF > 98%):	Power Factor shall be greater than %				
Complies with all applicable standards (Yes, No)	Full or partial (circle one)		Describe:		
Business Type (SIC or NAICS code):	SIC or NAICS code:		Describe:		
SECTION 6 CUSTOMER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative		Title		Date signed (month, day, year)	

FOR OFFICE USE ONLY			
The applicant meets the general standards in accordance with the Economic development Rider. EDR Discount Limited to 5 years as outlined below:			
Year 1: 15%	Year 2: 10%	Year 3: 10%	Year 4: 10% Year 5: 5%
Approved (Authorized signature and title)		Telephone number ()	Date signed (month, day, year)
Printed name		Crawfordsville Electric Light & Power 808 Lafayette Rd. Crawfordsville, Indiana 47933	

