RATE 634
RATE FOR ELECTRIC SERVICE
INDUSTRIAL POWER SERVICE FOR
AIR SEPARATION & HYDROGEN PRODUCTION MARKET CUSTOMERS

TO WHOM AVAILABLE

Available to Industrial Customers primarily in the air separation and hydrogen production process industry whose facilities are located in Indiana adjacent to existing sub-transmission and transmission electric facilities having capacity sufficient to meet the Customer's requirements, subject to the conditions set forth in this Rate Schedule and the Company Rules. Total capacity available under this Rate Schedule is limited to 285,000 kilowatts.

Customer shall contract for a definite amount of electrical capacity which shall be no less than 150,000 kilowatts, which may include the aggregation of multiple delivery points to facilitate interruption of load. Customer shall also contract for at least 40 percent (40%) of its total electric load as interruptible in accordance with Option D under Rider 675.

CHARACTER OF SERVICE

The Company will supply a primary metered transmission service to the extent of the capacity available from its electric supply lines, at such frequency, phase, regulation and voltage as it has available at the location where service is required.

The Customer, at its own expense, shall furnish, supply, install and maintain, beginning at the point of delivery all necessary equipment for transmitting, protecting, switching, transforming, converting, regulating and utilizing said electric energy on the premises of the Customer.

The Customer will also supply in accordance with plans and specifications furnished by the Company and at a mutually agreed upon location on the Customer's property, suitable buildings, structures, and foundations to house and support the metering and any protecting, switching, and relaying equipment that may be supplied by the Company.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this Rate Schedule shall be measured as to Maximum Demand, Energy Consumption and Reactive Kilovolt-Amperes by an IDR Meter to be installed by the Company.

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The Rates for electric service rendered under this schedule are based upon the measurement of electric energy at the voltage supplied to the Customer. The electric service and Energy supplied hereunder shall be billed under a three-part rate consisting of a Demand Charge plus an Energy Charge plus applicable Riders. The Demand Charge and Energy Charge are as follows:

Demand Charge

The Demand Charge for any month shall be:

$16.00 per kilowatt for all kilowatts of Contract Demand (Billing Demand) in the month.

Energy Charge

$0.033646 per kilowatt hour for all energy used in any hour below the Customer's Contract Demand.

$0.045877 per kilowatt hour for all energy used in any hour above the Customer's Contract Demand up to and including 225,000 kW.

$0.042000 per kilowatt hour for all energy used in any hour above 225,000 kW.

DETERMINATION OF CONTRACT DEMAND

For purposes of this Rate Schedule, the on-peak hours shall be (i) 11 a.m. Central Standard Time through and including 7 p.m. Central Standard Time during the months of June, July, August and September and (ii) 1 p.m. Central Standard Time through and including 9 p.m. Central Standard Time during January, February March, April, May, October, November and December, all excluding Saturdays, Sundays, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

For the period beginning on the first date that Customer takes service under this Rate Schedule and ending on December 31, 2012, the initial Contract Demand (Billing Demand) of electric energy shall be determined by calculating the average of each on-peak half-hour demand recorded during the period of July 1, 2009 through and including June 30, 2010. Thereafter, the Contract Demand shall be determined as follows:

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For the year 2013 and each year thereafter, on or before January 15 of each year (the "current calendar year"), Company shall calculate the arithmetic average (the "Average Annual Demand") of Customer's actual on-peak demand levels recorded for each half hour interval during the preceding calendar year, and:

(i) if the Average Annual Demand for any year exceeds one hundred twelve and one-half percent (112.5%) of the Contract Demand in effect for that year, then the Contract Demand for the current calendar year shall be increased by an amount equal to one half of the difference between the Average Annual Demand and the Contract Demand;

(ii) if the Average Annual Demand for any year is less than eighty-seven and one half percent (87.5%) of the Contract Demand in effect for that year, then the Contract Demand for the current calendar year shall be decreased by an amount equal one half of the difference between the Average Annual Demand and the Contract Demand; and

(iii) if the Average Annual Demand for any year is the same or greater than 87.5% of the Contract Demand in effect for that year and less than or equal to 112.5% of the Contract Demand for that year, then the Contract Demand for the current calendar year shall not change.

DETERMINATION OF DEMAND

The Customer's demand of electric energy supplied shall be determined for each half-hour interval of the month and said demand in kilowatts for each half-hour interval shall be two times the number of kilowatt hours recorded during each such half-hour interval. The phrase "half-hour interval" shall mean the thirty (30) minute period beginning or ending on a numbered clock hour as indicated by the clock controlling the metering equipment.

DETERMINATION OF LAGGING REACTIVE KILOVOLT AMPERES

The Customer's requirements in Lagging Reactive Kilovolt Amperes shall be determined for each half-hour interval of the month and shall be two times the number of Lagging Reactive Kilovolt Ampere Hours recorded during such half-hour interval. No effect whatsoever shall be given hereunder to Customer's leading Reactive Kilovolt Amperes, if any.

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ADJUSTMENT FOR CUSTOMER'S PEAK PERIOD LAGGING REACTIVE KILOVOLT AMPERES

The number of Reactive Kilovolt Amperes shall be computed each month for a Power Factor of 85% lagging using as the basis of said computation the Customer's maximum kilowatt demand for the month during the Peak Period hours thereof.

If the Customer's Maximum Peak Period Requirement in Lagging Reactive Kilovolt Amperes for the month is greater than the number of Reactive Kilovolt Amperes at a Power Factor of 85% lagging, determined as above, an amount equal to the product of $0.30 multiplied by said difference shall be added to the Customer's bill.

If the Customer's Maximum Peak Period Requirement in Lagging Reactive Kilovolt Amperes for the month is less than the number of Reactive Kilovolt Amperes at a Power Factor of 85% lagging, determined as above, an amount equal to the product of $0.30 multiplied by said difference shall be deducted from the Customer's bill.

The Customer agrees to control and limit Maximum Off-Peak Period Requirement in Lagging Reactive Kilovolt Amperes so that, as related to the Maximum Off-Peak Period Kilowatt Demand, it shall not exceed in ratio or numerical proportion the ratio of the Maximum Peak Period Requirement in Lagging Reactive Kilovolt Amperes and the Maximum Peak Period Kilowatt Demand; except that if such Maximum Off-Peak Period Kilowatt Demand is less than the Maximum Peak Period Kilowatt Demand, the Customer's Maximum Off-Peak Period Requirement in Lagging Reactive Kilovolt Amperes may equal the Customer's Maximum Peak Period Requirement in Lagging Reactive Kilovolt Amperes**.**

CUSTOMER LOAD INFORMATION

If requested by the Company, the Customer shall cooperate with the Company by furnishing the Company in writing on or before the first day of August each year a statement of its estimates of the Customer's future load on the Company by months for a subsequent Period of thirty (30) months.

The Customer shall make a reasonable effort to provide the Company in writing with a reasonably accurate hourly load forecast on a daily basis.

The Customer shall notify the Company of any material increase in load no less than sixty (60) days prior to the addition of that load.

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CUSTOMER LOAD INFORMATION (continued)

The Customer's dispatcher shall cooperate with the Company's dispatcher by furnishing, from time to time, such load information and operating schedules which will enable the Company to plan its generating operations.

Failure to comply with requested information on an ongoing basis may result in Customer being moved to another Rate Schedule, upon ninety days written notice to Customer.

The accuracy of the information herein called for is not guaranteed by the Customer and reliance thereon shall be at the sole risk of the Company.

GENERAL TERMS AND CONDITIONS OF SERVICE

Any Customer requesting service under this Rate Schedule shall enter into a written contract for an initial period of not less than three years, and such contract shall continue thereafter for a total period of not more than ten years unless terminated by either party giving to the other at least one year prior written notice of the termination of such contract.

The Delivery Points for electric power and energy delivered under this tariff and contract shall be at the sole discretion of the Company.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.